

Estate Major Projects Authority Committee Minutes

Venue Room 13, Education Centre,
Sandwell General Hospital

Date 26th October 2018 at 14.30

Members Present:

Mr R Samuda Chairman
Mr H Kang Non-Executive Director
Mr T Lewis Chief Executive
Ms D McLannahan Acting Director of Finance

In attendance:

Mr A Kenny Director of Estates
Ms C Dooley Head of Corporate Governance
Mr A Bell Midland Met Project Team
Mr D Hollywood Midland Met Project Team
Mr K Reynolds Midland Met Project Team
Ms J Dunn Midland Met Project Team

1. Welcome, apologies and declarations of interest	Verbal
No apologies were received.	
2. Minutes of the previous meeting	MPA (10/18) 001
The minutes of the meeting held on 21 st September 2018 were accepted as an accurate record.	
3. Matters arising (action log)	MPA (10/18) 002
The actions were covered by papers on the agenda for this meeting or not yet due.	
4. Strategic BAF	EMPA (10/18) 003
<p>BAF 10 - There is work to be undertaken on 7 day compliance with NHS Improvement as there are 7 sets of standards (national and enhanced local standards) and is expected this position will be clearer by the end of November 2018. The remainder of mitigation work is on track with detailed discussions taking place on staffing urgent care past 2023 and, under CLE, the urgent care board will reinstate urgent care working group. There is a need for a workforce model for urgent care.</p> <p>BAF 11 – all actions are completed but not fully resolved and we need to work through the responses, from the business case as a fixed point baseline.</p>	
5. Business Case	Circulated Separately
<p>Mr Lewis advised the OBC was produced on time/quality however significant scrutiny of this meant it was submitted slightly later than expected. The Chairman thanked everyone for their considerable effort in preparing and submitting the OBC.</p> <p>In relation to commercial elements of the OBC:</p> <ul style="list-style-type: none"> • Support is required for contract form and procurement. • A multi-bidder scenario is anticipated but we have received a more limited market response than we anticipated. 	

- Hard FM – the OBC identifies for Hard FM to be aligned to replacement contractor process/works and we will look at Hard FM for the retained estate separately.
- There is an exception approach on risk sharing between contractor and contractee (wait until concluded procurement process) and we await confirmation from Whitehall on this proposal/approach.

In relation to non-commercial elements of the OBC:

- Capital funding required from DHSC to meet final costs is work in progress.
- Accounting treatments are being addressed through the Audit and Risk Management Committee and will be mentioned at the next Private Trust Board meeting.
- Written agreement on taper relief for final RCC contractor (confirmation letter) is awaited prior to FBC given NHSE/NHSI transition (merger) to ensure confidence on this funding (£28m).

Next steps in the OBC process is for NHSI to write (support) to DHSC, who in turn write (support) to Treasury.

It was agreed to prepare a redacted version of the OBC to publish on the Trust website 30 days after approval.

ACTION: Publish redacted OBC on Trust Public website 30 days after approval.

6. Early Works Contract Procurement

EMPA (10/18) 004

Balfour Beatty signed an early works contract on Monday 8th October 2018. The contract is a 'JCT Measured Term Contract 2016' which provides a framework against which the Trust can instruct distinct packages of work. The bid included a number of pre-defined works packages:

Ref	Description	Status	Estimated Start on Site	Estimated Completion Date
A1	Completion of Ramps	Terms now agreed and order to be placed 18/10/18.	29/10/18	21/12/18
A2	Winter Garden	Terms now agreed and order to be placed 18/10/18.	22/10/18	22/05/19
A3	Roofing	Agreeing final scope - order will be placed by end of October	05/11	17/05/19
A4	Balustrading	Terms now agreed and order to be placed 18/10/18.	29/10	23/05/19
A5	Temporary Heating	Instructed.	Commenced	26/11/18
A9	Winter Garden Glazing	Terms now agreed and order to be placed 18/10/18.	22/10	22/05/19
A10	Plantroom Cladding	Agreeing final scope - order will be placed by end of October	05/11	TBC
B	EWC Staffing	Instructed.	Commenced	31/05/19

Balfour Beatty are in discussions in regards works to maintain the partially installed mechanical and electrical works (known as A7), and (Knauf) preferred installer for the replacement of damaged dry-lining. The scope of works will be agreed in November 2018.

Warranties - all works undertaken via the EWC are warrantied back to the Trust. In the case of the Winter Garden and balustrading, this also encompasses works done during the Carillion contract.

Statutory Obligations – Balfour Beatty assumed the role of Principal Contractor on Thursday 11th October 2018. Midland Project Management Limited (David Hollywood) remains Principal Designer for the balance of the EWC. The Trust is continuing to provide overarching site insurance throughout the EWC period.

Staff – Balfour Beatty now have site management and commercial / procurement staff on site.

Programme – Balfour Beatty have released their ratified construction programme. All priority works are now due to be completed within the original May 2019 end date.

Site Signage/Branding - Carillion branding has been removed from site and replaced with Balfour Beatty equivalent. The only exception is tower crane signage which is cost prohibitive to remove at this stage.

7. Update on Service Reconfiguration and Transfers

EPMA (10/18) 005

Ms Dunn summarised the outcomes and key points of discussion from the October Midland Met Quality and Sustainability Committee which included an agreement to progress essential works to NNU & critical care (City Hospital) the project being monitored via Estates Development Committee. In addition a workshop is to take place to focus on options for medical specialties to support AMU.

Acute Care Sustainability 2019:

The Board, and partners accepted in 2014 that acute care configuration could only be sustained in present form to 2018-19. The Trust now faced maintaining services until 2022/23, routes to mitigate change, and sustain two adult A&E departments were being considered. A review of workforce “triggers” suggests we may suffer staffing losses as a consequence and may not be able to cope, if expectations of consultant cover and such changes prevail in the next four years. We may not be able to meet standards given the little ‘flexibility’ in our system. We will prepare intensively for our Urgent Care Centre model, which will be from 2020-21 staffable as a plan B. Over the coming weeks we will work intensively to determine how best to guarantee a 14 hour standard for 90%+ of our admissions seven days a week, alongside monitored bed medical input and a hugely expanded AMAA offer. We are finalising consideration of three routes to that aim:

- a) A major increase in acute physicians through traditional recruitment
- b) Reconfiguring respiratory medicine from Sandwell to City to release medical time to contribute “at the front door”
- c) Co-locating frailty and acute medicine to create a joint service in our AMUs.

A blend of all three approaches may be needed. These options were reviewed and confirmed in principle with medical specialty consultants on 16th October with a further session arranged for 30th October to explore in more detail. In parallel:

- Latent ward capacity at City has been identified along with scope of works required to bring this capacity back into clinical inpatient use.
- Evaluation criteria for assessing service reconfiguration/consolidation options have been explored with the Healthy Lives Partnership.

With regards to emergency services for children scoping work has commenced to explore options for relocating the Paediatric Assessment Unit (PAU) at City closer to the children's ED service in order to strengthen resilience of both services and reduce isolation. This work is being co-ordinated through the Midland Met Quality and Sustainability Committee.

Sustaining Safety and Capacity in NNU and Maternity Services:

Further to recent infection outbreaks in NNU and alongside the essential infrastructure work in NNU (to repair the floor & correct milk kitchen temperature) options to increase the physical space for and between intensive care cots are being explored. This work may need a two stage approach (stage 1—essential works, stage 2— increase intensive care cot space). Enabling works on D21 have commenced. This will allow the medical ward currently in D16 to decant to D21, followed by some enabling work on D16 to allow NNU to decant to D16 for the duration of the essential work. The aim is to decant NNU to D16 during December. In addition options to increase maternity and NNU capacity through increasing the number of transitional care spaces are being explored.

Service Relocation in Retained Estate:

A number of schemes to enable the relocation of retained estate services into their post Midland Met locations are underway or progressing through the planning stage. Key schemes highlighted were:

- Dermatology is now operational in its refurbished department on D49 of Sheldon Block.
- Operational dates for OPD 6 and OPD 2 in the STC have been delayed as a result of technical commissioning issues. This delay adversely impacts on several other schemes.
- The programme for relocating City fracture clinic into the BTC is longer than we would like (currently end of July 2019 compared to target of end of March 2019).

Further challenge has been made to the BTC, SPV management and design leads who are undertaking another review of the programme to identify options to bring the operational date further forward. Notices are being arranged for the BTC to inform patients and staff about future service locations.

8. Estates Update

EPMA (10/18) 006

Mr Reynolds summarised:

Midland Met Hospital - work continues to develop in collaboration with AECOM there MEP (Mechanical Electrical Plumbing) designs, and the need for the designs to be aligned with the TCRs / specifications required by the Trust. Key issues which need to be considered relate to changes in statutory legislation and, employer's requirements (Electrical Wiring and Environmental Omissions (Generators) all of which are on track to be completed by end October 2018.

City Site Developments - the new energy centre on the Western Road boundary is now supplying heat and power to the "retained Estate" on the City Site. This includes the: Birmingham Treatment Centre (BTC), Birmingham & Midland Eye Centre (BMEC), Sheldon Unit. A range of developments have been identified which could support the redevelopment of the site. These include a multi-story car park, GP Centre, Care Home development, as well as further land sales. The investment in the multi-story car park will enable the existing surface car parks to be redeveloped for the benefit of service users, staff, other partners and the wider/local community.

Birmingham City Council are undertaking a consultation exercise with the local community and other stakeholders, on the intention to make improvements to the local highways including Dudley Rd. The Trust will need to engage in this process, and is seeking a meeting with both BCC, and Sandwell SMBC authorities specifically in raising concerns the re the impact on Midland Met Hospital and blue light traffic.

Sandwell Hospital Site - reflecting the continuing demand for hospital beds has meant that investments on the Sandwell site have been focused on increasing the number of outpatient clinics. This number will increase as the Elizabeth Suite and Ophthalmology facilities will be upgraded to provide much improved accommodation for patients and staff

2018/19 Estates Capital Programme (Statutory Standards) - the balance of funding associated with the Estates 2018/19 capital programme has will be invested in energy savings projects and health and safety related works. The Estates team are supporting Jayne Dunn and her team who are currently looking at options as to how clinical services can best be re-configured. Significant work has also been undertaken in supporting our Community Staff in moving out of poor accommodation.

It was agreed to cover the red risks for the estate at the next EMPA meeting.

ACTION: Red estate risks to be discussed in detail at the December EMPA meeting.

9. Replacement Construction Contractor & Procurement of Hard FM Contractor

EPMA (10/18) 007

Mr Kenny advised a bidders day was held on 11th October 2018, attended by Balfour Beatty, Kier, Sir Robert McAlpine, Laing O Rourke and Graham Construction. The project team presented the project status, including risk allocation, procurement route and favoured form of contract.

Risk allocation - contractors welcomed the Trust retention of prior risk relating to Carillion and EWC works. There was debate on the MEP / Fit Out risk. Contractors appreciated the reasoning for the requirement for a “wrap” around the MEP/Fit Out risk, but raised concerns regarding the interfaces, specifically energy performance, the retention of existing major plant, the time needed to get comfortable with it, and the value for money implications should it end up being replaced.

Form of Contract - all contractors were familiar and comfortable with the NEC4 form of contract, some were already operating it on NHS schemes through Procure22. Both Option A (fixed price lump sum) and Option C (target cost) were discussed.

Form of Competition & Timescale - no fundamental objections were raised in respect of proposed process; a selection questionnaire stage, followed by up to 3 bidders in competitive dialogue for 4 to 6 months.

Bid Costs - bidders noted the length of the bid period, specifically the time and resources required in competition to validate the MEP as a concern, notwithstanding the Trust offer to contribute to the losers bid costs. There is a significant opportunity cost attached to the MMH process.

Post Bidders Day Feedback

Balfour Beatty sought clarifications over the procurement route and the amount of time they would be in competition, and the risk profile on the MEP. They have verbally confirmed that they will bid for the RCC, on the basis that it will be a NEC4 target cost option, they will work to validate the MEP/Fit Out and provide the “wrap” the Trust is seeking, and expect bid costs of circa £1m to be underwritten in the event that they are not successful.

Kier have yet to feedback, but were positive on the day. Subsequent conversations indicate that they have provided papers to their board for consideration (a “bid no bid” decision). They raised the issue of bid costs and underwriting should they be unsuccessful. They do not have significant large acute healthcare experience, and there is a risk they could fail the selection questionnaire stage. They deliver a significant amount of work for the NHS through Procure 22. It is expect that Kier will try and join up with NG Bailey.

Graham Construction provided no feedback and were quiet at the bidders day - they are not expected to bid.

Skanska did not attend the bidders day and there is some on-going dialogue but the bid investment already made and lost is expected to preclude them from further participation. Whilst we know they are seeking to grow their business in the Midlands it is a very low probability that they would now compete for Midland Met.

Developments (on & off site) at Midland Met - bearing in mind the development opportunities on the site of the new hospital, plus the opportunity for this to be a catalyst for regeneration of the immediate surrounding area – initial work has commenced on the development of a coordinated plan which include:

- Hotel / accommodation on development plot
- 9th Floor shell space on Midland Met
- Rolfe Street Station and access route
- Derelict / run-down buildings to the South of the new Midland Met – specifically on Grove Street and the Pall Mall land / canal spur

An initial meeting has been held with the Black Country Consortium (Local Enterprise Partnership). Highlights include a Local Partnership Investment Fund of £53m to be spent by 2021, a further £97m by 2026.

Hard FM - the Trust has identified that an outsourced Hard FM (HFM) solution needs to be considered for both its Midland Met and Retained Estate sites. An early appointment of the HFM advisor/contractor is needed to enable the Trust to have input throughout the construction and commissioning phase of the project and in the interests of the Trust to provide a positive challenge to the RCC. The HFM procurement will need to be aligned with the completion of the RCC procurement process. Selection of a HFM advisor/contractor through an established Framework (e.g. SBS or Crown Commercials) approach is preferred as the framework will have been developed to meet and comply with recognised OJEU process, e.g. has pre-selected suppliers, containing national and regional providers, and the provides the ability to use flexible contract terms.

10. Meeting Effectiveness	Verbal
The meeting was considered effective by committee members.	
11. Matters to raise to Trust Board	Verbal
Outline business case, progress with early works contract and market appetite for final contract bidding.	
12. Any Other Business	Verbal
No other items of business were discussed.	
Date and time of next meeting	
Next Meeting: Friday 7 th December 2018, 11.00-12.15 in Room 14, Education Centre, Sandwell General Hospital.	

Signed
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 Date